

MAKING VETERANS WITH 40 PERCENT DISABILITY ELIGIBLE FOR ALLOWANCES FOR DEPENDENTS

JUNE 13, 1951.—Committed to the Committee of the Whole House on the State of the Union and ordered to be printed

Mr. RANKIN, from the Committee on Veterans' Affairs, submitted the following

REPORT

[To accompany H. R. 4108]

The Committee on Veterans' Affairs, to whom was referred the bill (H. R. 4108) to amend the act of July 2, 1948 (Public Law 877, 80th Cong.), as amended, to include persons whose service-connected disability is rated not less than 40 percent having considered the same, report favorably thereon without amendment and recommend that the bill do pass.

EXPLANATION OF THE BILL

Public Law 877 of the Eightieth Congress provided a new set of allowances for certain service-connected disabled veterans who have dependents. If a wartime veteran is rated totally disabled and has a wife, for example, he may receive \$21 a month additional for the wife and other specified amounts if there are children or dependent parents. If he is less than totally disabled, he receives a percentage of the allowances payable in total disability cases, according to his degree of disability. Allowances for peacetime veterans are 80 percent of the wartime rates.

The basic law required that the veteran be at least 60 percent disabled to be eligible for additional allowances. Public Law 339, Eighty-first Congress, approved October 10, 1949, reduced this 60-percent requirement to 50 percent. The bill recommended to the full committee after a subcommittee held hearings on this proposal provides for a conservative reduction of the 50-percent requirement to 40 percent, thus making eligible approximately 102,515 veterans at a first-year cost of \$16,710,400. Veterans having less than 40-percent disability would still be unable to qualify for the benefits of the amended law.

The report of the Veterans' Administration follows:

VETERANS' ADMINISTRATION,
Washington 25, D. C., May 23, 1951.

Hon. JOHN E. RANKIN,
Chairman, Committee on Veterans' Affairs,
House of Representatives, Washington 25, D. C.

DEAR MR. RANKIN: Reference is made to your request for a report on H. R. 4108, Eighty-second Congress, a bill to amend the act of July 2, 1948 (Public Law 877, 80th Cong.), as amended, to include persons whose service-connected disability is rated not less than 40 percent.

The purpose of the bill is to extend the benefits of Public Law 877, Eightieth Congress, approved July 2, 1948, as amended by section 4 of the act of October 10, 1949 (Public Law 339, 81st Cong.), so that any veteran suffering from a compensable disability rated not less than 40 percent would, if otherwise eligible, be entitled to additional compensation because of dependents.

Section 1 of Public Law 877, as amended, provides that any person entitled to compensation at wartime rates for disability incurred in or aggravated by active service as provided in part I, or paragraph I (c), part II, Veterans Regulation No. 1 (a), as amended, or the World War Veterans' Act, 1924, as amended, and restored with limitations by Public. No. 141, Seventy-third Congress, March 28, 1934, as amended, and whose disability is rated not less than 50 percent, shall be entitled to additional compensation for dependents in the following amounts, if and while rated totally disabled and—

Has a wife but no child living-----	\$21. 00
Has a wife and 1 child living-----	35. 00
Has a wife and 2 children living-----	45. 50
Has a wife and 3 or more children living-----	56. 00
Has no wife but 1 child living-----	14. 00
Has no wife but 2 children living-----	24. 50
Has no wife but 3 or more children living-----	35. 00
Has a mother or father, either or both dependent upon him for support, then, in addition to the above amounts, \$17.50 for each parent so dependent.	

If and while the veteran is rated partially disabled but not less than 50 percent, the additional compensation authorized on account of dependents is in an amount having the same ratio to the amount provided for total disability as the degree of disability bears to the total disability.

Under the provisions of Public Law 28, Eighty-second Congress, May 11, 1951, wartime rates of compensation are available to veterans of active service on and after June 27, 1950, and prior to such date as shall thereafter be determined by Presidential proclamation or concurrent resolution of the Congress.

Under section 2 of Public Law 877, as amended, any person entitled to compensation at peacetime rates for disability incurred in or aggravated by active service as provided in paragraph II, part II, Veterans Regulation No. 1 (a), as amended, except paragraph I (c), thereof, and whose disability is rated at not less than 50 percent, is entitled to additional compensation for the same classes of dependents noted above and in monthly amounts equivalent to 80 percent of the amounts set forth above.

H. R. 4108, if enacted, would grant the following additional amounts for dependents to partially disabled veterans who are entitled to compensation at wartime rates due to disability of 40 percent, and are otherwise eligible for benefits under Public Law 877, as amended:

Has a wife but no child living-----	\$8. 40
Has a wife and 1 child living-----	14. 00
Has a wife and 2 children living-----	18. 20
Has a wife and 3 or more children living-----	22. 40
Has no wife but 1 child living-----	5. 60
Has no wife but 2 children living-----	9. 80
Has no wife but 3 or more children living-----	14. 00
Has a mother or father, either or both dependent upon him for support, then, in addition to the above amounts (for each dependent parent)-----	
	7. 00

Veterans receiving compensation at peacetime rates whose disability is rated at 40 percent, would receive 80 percent of the above rates under the provisions of the bill, if otherwise eligible under Public Law 877, as amended.

Public Law 877, Eightieth Congress, was the product of extensive study and consideration by the Congress on the subject of payment of additional benefits, because of dependents to veterans entitled to disability compensation. The legislative history of that act indicates that one of the reasons that the benefits provided thereby were limited to those persons 60 percent or more disabled was the fact that this group of veterans, because of the serious nature of their disabilities, would not generally be in a position to supplement their compensation payments by income from steady employment as would those persons disabled to a lesser degree. Upon further consideration of the matter in the Eighty-first Congress, the necessary degree of disability for entitlement of additional compensation was reduced to 50 percent by section 4 of Public Law 339. The question of broad policy presented by the bill is, therefore, whether this requirement as to degree of disablement should be further reduced to 40 percent.

Because of the uncertainty of future mobilization plans regarding the extent and timing of increases to our armed services, it is difficult to forecast the number of beneficiaries who would be affected by this proposal in the fiscal year 1952, nor can it be foreseen how many slightly disabled veterans of World War II will be returned to active service. However, based on the present strength of the Armed Forces without regard to planned increases, it is estimated that approximately 102,515 cases would be entitled to receive additional disability compensation during the fiscal year 1952, if this bill is enacted. If all eligible applied for and received additional compensation, the cost would approximate \$16,710,400. This estimate, however, does not take into consideration Public Law 28, *supra*, the effect of which cannot be ascertained on the basis of data now available. The distribution of the cost by wars and Regular Establishment is as follows:

	Number of cases	Estimated first year's cost
World War II.....	84,600	\$14,342,000
World War I.....	15,100	2,005,000
Regular Establishment:		
Peacetime rate.....	2,700	339,000
Wartime rate.....	100	23,000
Spanish-American War.....	15	1,400
Total.....	102,515	16,710,400

Advice has been received from the Bureau of the Budget that the enactment of H. R. 4108 would not be in accord with the program of the President.

Sincerely yours,

CARL R. GRAY, Jr., *Administrator.*



